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**ORIGINAL**  
ILLINOIS  
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Spark Energy, L.P.

Application for Certificate of  
Service Authority under Section  
16-115 of the Public Utilities Act

Docket No.

CHIEF CLERK'S OFFICE

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**ORIGINAL APPLICATION**

Spark Energy, L.P. ("Applicant"), hereby requests that the Illinois Commerce Commission ("Commission") grant it a Certificate of Service Authority pursuant to Section 16-115 of the Public Utilities Act ("Act"). In support of its application, Applicant states as follows:

**GENERAL [451.20, 451.30, 451.210, and 451.310]**

1. Applicant's name and street address: [451.20(e)(1)]  
Spark Energy, L.P.  
3010 Briarpark Drive, Suite 550  
Houston, Texas 77042
2. Related Information:
  - a. Type of business entity: Limited Partnership (LP)
  - b. Jurisdiction in which and under whose laws business entity was created:  
Texas
  - c. Other names under which Applicant does business (D/B/A): n/a
  - d. Federal Employer Identification Number: [451.20(e)(2)] 01-0587902
  - e. Registered Agent in Illinois:  
CT Corporation System  
208 LaSalle Street,  
Chicago, Illinois 60604
3. Contact Persons for the following:
  - a. Issues related to processing this application:

**Casey P. Adkins**  
**Assistant General Counsel**  
Spark Energy, L.P.  
3010 Briarpark Drive, Suite 550  
Houston, Texas 77042  
(T) 832-217-1892  
(F) 832-217-1895  
[cadkins@sparkenergyLp.com](mailto:cadkins@sparkenergyLp.com)

**Michelle Presley**  
**Senior Retail Analyst**  
3010 Briarpark Drive, Suite 550,  
Houston, Texas 77042  
(T) 832-200-3767  
(F) 832-200-3787  
[mpresley@sparkenergy.com](mailto:mpresley@sparkenergy.com)

**Brandi Day**  
**Director of New Markets**  
Spark Energy, L.P.  
3010 Briarpark Drive, Suite 50  
Houston, Texas 77042  
(T) 713-977-7601  
[bday@sparkenergy.com](mailto:bday@sparkenergy.com)

- b. issues related to retail customers, including complaint resolution,

**Julia Martinez**  
**Operations Manager**  
Spark Energy, L.P.  
3010 Briarpark Drive, Suite 550  
Houston, Texas 77042  
(T) 713-600-2634  
(F) 713-977-5602  
[jmartinez@sparkenergy.com](mailto:jmartinez@sparkenergy.com)

**Al Barrios**  
**Director of Operations**  
Spark Energy, L.P.  
3010 Briarpark Drive, Suite 550  
Houston, Texas 77042  
(T) 832-217-1833  
[abarrios@sparkenergyLp.com](mailto:abarrios@sparkenergyLp.com)

Spark Energy, L.P., upon approval of this application, shall arrange to provide and agrees to continue to maintain a toll-free number just for its Illinois customers. This number will be reachable Monday through Friday from eight a.m. to five p.m. and shall be able to answer customers' account, service, and other applicable questions. Additionally, Spark Energy certifies that for operational and scheduling facility issues, an individual will be on-call, twenty-four hours a day, seven days a week at 713-823-3107.

- c. Technical issues, including scheduling of generation, transmission, and distribution, and issues arising from relationships with other providers of electric services.

**Lourdes Smith**  
**Power Supply Manager**  
Spark Energy, L.P.  
3010 Briarpark Drive, Suite 550,  
Houston, Texas 77042  
(T) 832-200-3763  
(F) 866-413-2904  
[lsmith@sparkenergy.com](mailto:lsmith@sparkenergy.com)

Spark Energy, L.P., is a retail provider of electricity to residential and non-residential customers.

4. Applicant is licensed to do business in the State of Illinois, as demonstrated in **Attachment A**. [451.20(f)(1)].
5. Applicant's employees that will be installing, operating, and maintaining generation, transmission, or distribution facilities within the State of Illinois, as well as any entity with which the Applicant has contracted to perform those functions, have the requisite knowledge, skills, and competence to perform those functions in a safe and responsible manner in order to provide safe and reliable service in accordance with the criteria stated in Section 16-128(a) of the Act [220 ILCS 5-16-128(a)], [451.20(f)(2)][if applicable].

Spark Energy, L.P. certifies that it currently has no intent to install, operate, or maintain any generation, transmission or distribution facilities.

6. Description of Applicant's business. [451.30(c)(1)]

Spark Energy, L.P. will market electricity at retail as an alternative retail electric supplier in Illinois. Spark Energy will supply electricity under a FERC-approved contract to retail customers consistent with its ARES certificate of service.

Spark Energy, L.P., headquartered in Houston, Texas, since 2002, is an electricity retailer that provides retail electricity to both residential and non-residential customers. Spark Energy has a comprehensive understanding of the current industry market and the infinite energy needs of its retail customers.

7. Geographic area in which Applicant seeks to be authorized to offer service (if less than entire State, provide detailed description) and the types of services it intends to offer. [451.30(c)(2)].

Spark Energy, L.P. is seeking to offer service in the Commonwealth Edison, Ameren CIPS, Ameren CICCO, and Ameren IP utility service territories. Spark Energy intends to offer retail electricity. Spark Energy has notified Commonwealth Edison and all three Ameren territories by serving upon them a copy of this application along with an attached cover letter in compliance with 451.30(c)(3).

8. Identification of the Part 451 subpart (Subpart B, C, D, or E) under which the applicant is filing. Description of the characteristics of customer group(s) Applicant proposes to serve. [451.30(c) (2)].

- Spark Energy is filing this application under Part 451 Subpart D, to serve all retail customers in the Commonwealth Edison, Ameren CIPS, Ameren CICCO, and Ameren IP utility service territories. Accordingly, Spark Energy, L.P. certifies the following:
- That Spark Energy will comply with Subsection 451.310(c)(1) and certify that any of its marketing materials that make statements concerning prices, terms and conditions of service shall contain information that adequately discloses the prices, terms and conditions of the products or services that the Spark Energy is offering or selling to the customer.
- That Spark Energy will comply with Subsection 451.310(c)(2) and certify that before any customer is switched from another supplier, the alternative retail electric supplier shall give the customer written information that adequately discloses, in plain language, the prices, terms and conditions of the products and services being offered and sold to the customer.
- That Spark Energy will comply with Subsection 451.310(c)(3) and certify that it will provide documentation to the Commission and to customers that substantiates any claims made by the alternative retail electric supplier regarding the technologies and fuel types used to generate the electricity offered or sold to customers.
- Spark Energy, L.P. will comply with Subsection 451.310(c)(4) and certify that it will provide to the customer itemized billing statements that describe the products and services provided to the customer and their prices; and an additional statement, at least annually, that adequately discloses the following:
  - average monthly prices, and the terms and conditions, of the products and services sold to the customer.
- Spark Energy, L.P. will comply with Subsection 451.310(d) and certify that it will include materials comprising the consumer education program

(pursuant to Section 16-117 of the Act [220 ILCS 5/16-117]) with all initial mailings to potential residential and small commercial retail customers and before executing any agreements or contracts with such customers.

- Spark Energy, L.P. will comply with Subsection 451.310(e) and certify that it will provide consumer education program materials (pursuant to Section 16-117 of the Act [220 ILCS 5/16-117]) at no charge to residential and small commercial retail customers upon request.
  - Spark Energy, L.P. will comply with Subsection 451.310(f) and certify that it will provide residential and small commercial retail customers on a semiannual basis information on how to obtain a list of alternative retail electric suppliers that have been found in the last three (3) years by the Commission (pursuant to Section 10-108 of the Act [220 ILCS 5/10-108]) to have failed to provide service in accordance with the terms of their contracts (pursuant to Section 16-117(g)(4)(C) of the Act).
9. Section 451.310(b) states that “An applicant that seeks to serve customers within a geographic area that is smaller than an electric utility’s service area shall demonstrate that the designation of this smaller area does not violate any part of Section 16-115A of the Act [220 ILCS 5/16-115A]. “
- a. Applicant certifies that it does not seek to serve customers within a geographic area that is smaller than an electric utility’s service area. Spark further certifies that it will not deny service to a customer or group of customers nor establish any differences as to prices, terms, conditions, services, products, facilities, or in any other respect, whereby such denial or differences are based upon race, gender or income nor deny service to a customer or group of customers based on locality nor establish any unreasonable difference as to prices, terms, conditions, services, products, or facilities as between localities.
10. Proof of notification to each utility of Applicant’s intent to serve in the utility’s service area is provided in **Attachment B**. [451.30(c)(3)]
11. *Applicant certifies that it will:*
- a. Comply with all applicable Federal, State, Regional, and Industry rules, practices, policies, procedures and tariffs for the use, operation, maintenance, safety, integrity, and reliability of the interconnected electric transmission system including the Open Access Same-time Information System (OASIS) mandated by 18 CFR 37 and the rules and operating guidelines and procedures of the regional or national electric reliability council(s) or organization(s) and their successors for any portion of the State in which the applicant is certified to provide retail electric service; [451.20(a)]

- b. Provide service only to retail customers that are eligible to take delivery services; [451.20(b)]
  - c. Comply with informational and reporting requirements that the Commission may by rule establish; [451.20(c)]
  - d. Comply with information and reporting requirements that the Commission may establish regarding the provision of information required by Section 16-112 of the Act; [451.20(d)]
  - e. Comply with all other applicable laws and regulations and Commission rules and orders; [451.20(g)]
  - f. Comply with all terms and conditions required by Sections 16-115A(a), (b) and (f), 16-119, 16-123, 16-125(b) and (c), 16-127 and 16-128(a) of the Act, to the extent those Sections have application to the services being offered by the alternative retail electric supplier; [451.30(d)(2)] and
  - g. Comply with all terms and conditions required by Section 16-115A(c) of the Act. [451.210 and 451.310(a)]
12. Applicant agrees to submit good faith schedules of transmission and energy in accordance with applicable tariffs. [451.20(a)]
13. Applicant agrees to adopt and follow rules and procedures ensuring that authorizations received from customers, customer billing records and requests for delivery service transmitted to utilities are retained for a period of not less than two calendar years after the calendar year in which they were created. [451.40(a)]
14. Applicant agrees to adopt rules and procedures to preserve the confidentiality of its customer's data [451.40(b)].
15. Whether Applicant currently has authority from the Commission to be an ARES, and if so, the Docket Number under which such authority was granted. [(If Applicant currently has a Certificate of Service Authority) Applicant requests that such current authority be consolidated with any authority granted pursuant to this application, under the docket number of this application.]

Spark Energy, L.P., has never been given such authority from this honorary Commission to be an ARES.

***RECIPROCITY REQUIREMENTS [451.20, 451.710, and 451.730]***

16. The names and addresses of all of Applicant's affiliated companies involved in electric retail sales or purchases in the North American continent are as follows: [451.20(e)(3)]

Electric Now, L.P.  
Retail Electric Supplier  
3010 Briarpark Drive, Suite 550  
Houston, Texas 77042

Spark Energy, L.P. will market electricity at retail. Applicant certifies that it currently does not intend to install, operate or maintain generation, transmission, or distribution facilities within the State of Illinois.

17. Spark Energy, L.P. certifies that it complies and will remain in compliance with Section 16-115(d)(5) of the Act [220 ILCS 5/16-115(d)(5)], that it will remain in compliance with such requirements and that it will annually certify such compliance to the commission during January of each year after its certification. A demonstration that Applicant is in compliance with section 16-115(d)(5) of the Act is set forth as follows. [451.20(e), 451.710(a) and 451.730]

Spark Energy, L.P. certifies that it has identified a list of potential principal sources of electricity. One of these potential principal sources of electricity meets the standards established. Specifically, Applicant demonstrates and certifies the following:

1. The principal source of electricity (to the extent such source is known at the time of this application) owns or controls facilities, for public use, for the transmission or distribution of electricity to end users within a define geographic area to which electric power and energy can be physically and economically delivered by the electric utility or utilities in whose service areas Spark will offer the proposed service.
2. The proposed supplier enclosed in Spark Energy's Motion for Protective Treatment provides delivery services to the electric utility or utilities in the service areas Spark proposes to provide service. These serves are reasonably comparable to those offered by the electric utility, and
3. Spark Energy agrees to annually certify that it, its corporate affiliates, or applicant's principal source of electricity is continuing to provide such delivery services and that it has not knowingly assisted any person or entity avoid the requirements of Section 16-115 of the Act.

(Attached as **Attachment C**, please find the possible source of supply that Spark Energy has commenced discussion with to accommodate it through the requirements of this section. (Also See **Attachment D**, for an affidavit of assurance that Spark will meet and continue to meet the reciprocity provisions of Section 16-115(d)(5) as long as they apply).

***License or Permit Bond [451.50]***

18. Applicant is required to execute and maintain a license or permit bond in the name of the People of the State of Illinois issued by a qualifying surety or

insurance company authorized to transact business in the State of Illinois. The amount of the bond shall equal the amount specified in Part 451.50(a) for the appropriate group of customers the Applicant seeks certification to serve. [Attach a copy of the license or permit bond required by Part 451.50(a) and proof that the surety meets the definition of "qualifying surety" as set forth in Part 451.10.] See **Attachment E, Bond and Receipt of Bond** showing Spark paid for the cost of the bond.

Spark certifies that it has paid for the cost of the bond Attached to this Application as part of Attachment D.

***Financial Qualifications [451.110, 451.220, or 451.320—Not applicable to Subpart E Applicants]***

19. Applicant meets one of the six financial criteria set forth in Part 451.320—as demonstrated in **Attachment F**.

Spark Energy meets Part 451.320(a)(5):

- 5) The applicant maintains a line of credit or revolving credit agreement.
  - A) The line of credit or revolving credit agreement must be from a financial institution with a long-term obligation rating of A- or higher from Standard & Poor's or its successor, A3 or higher from Moody's Investors Service or its successor, or A- or higher from Fitch Ratings or its successor.
  - B) The amount of the line of credit or revolving credit agreement shall be no less than the greater of \$1,000,000 or 10% of the amount of the applicant's revenue for the most recently completed fiscal year. That amount of revenue must appear in the applicant's certified financial statements, or those of the applicant's parent, that have received an accountant's report that certifies those financial statements to be free of material misstatement. If the applicant is using the certified financial statements of its parent, the amount of credit available under the borrowing agreement shall be determined using the applicable revenue amount from the segment information section of the certified financial statements of the applicant's parent.
    - i) If the applicant is listed separately in the segment information section, the applicant's revenue shall be used.



- ii) If the segment information section is broken down by operation, or other means, the revenue for the entire segment of which the applicant is part shall be used, unless a certified breakdown of the segment by company is provided.
- C) The line of credit or revolving credit agreement shall be valid for a period of not less than one year.
- D) The applicant shall provide a copy of the following:
  - i) The line of credit or revolving credit agreement;
  - ii) The ratings agency report that presents the long-term obligation rating of the financial institution extending the credit;
  - iii) The applicant's certified financial statements or those of the applicant's parent, as applicable; and
  - iv) The accountant's report for the applicant's certified financial statements or those of the applicant's parent, as applicable.

Spark Energy has a committed credit agreement with two financial institutions that meets the language of this provision. The credit agreement is valid for a sufficient period of time according to Part 451.320(a)(5)(C) and is for a sufficient amount according to Part 451.320(a)(5)(B) in that on page thirty-four of the Committed Credit Agreement, it states that set aside for the purchase of electricity, is the exclusive use of forty million dollars (\$40,000,000.00US). Spark certifies that it is the only named entity party to the Credit Agreement that is involved in electric sales and services. This forty million dollars is way in excess of the greater of \$1,000,000 or 10% of the amount of the applicant's revenue, such amount having been submitted under the request to treat such items trade secret, for the most recently completed fiscal year. Spark Energy has provided this information in its application, under a Petition that this information be treated as Confidential, the Credit Agreement as well as Spark Energy's 2007 Audited Financials. Also included are the credit ratings of the applicable financial institutions. **(Please See Attachments F, G, and H).** Spark Energy certifies that if one of our accounts falls below the amount certified above, Spark will inform the Administrative Law Judge of our inability to borrow within ten (10) days of the event. Spark further certifies that if at any time the amount available to Spark Energy is limited, we will notify the Illinois Commerce Commission immediately. Pursuant to Code Part 451, Spark will provide

quarterly letters from our banking parties to the Commission that we remain in compliance with our banking covenants.

\$40,000,000.00US > \$1,000,000.00US

\$40,000,000.00US > 10% of X where X=the amount of applicant's revenue for the most recently completed fiscal year.

*\*X may be found on page 15 of Attachment B in Spark Energy, L.P.'s Motion for Protective Treatment.*

20. If Applicant will provide electric power and energy with property, plant and equipment that it owns, controls, or operates, Applicant shall verify that it meets the requirements of Part 451.110(b), 451.220(c), or 451.320(c) for commercial general liability insurance. Attachment \_\_\_\_ shows that the commercial general liability insurance coverage is in the amount of \$ \_\_\_\_ and shall remain in effect for a period of not less than one year. Attachment \_\_\_\_ shows that the insurers have Best's ratings of A-or better and Best's financial sizes of VII or larger.

Applicant certifies that it will not provide electric power and energy with property, plant and equipment that it owns, controls, or operates and will contact the Commission if and before it ever decides to do so.

***Technical Qualifications [451.120, 451.230, 451.330, or 451.420]***

21. Applicant **will not** use electric generation, transmission or distribution facilities that it owns, controls or operates in serving customers. Applicant meets the requirements of Part 451.120, 451.230, 451.330, or 451.420, as demonstrated in **Attachment I**. [The attachment shall identify the persons or agents who are being used to meet the requirements of Part 451.120, 451.230, 451.330, or 451.420 and the attachment may include narrative form as well as resumes of key personnel.]

Applicant has a scheduling facility with 24 hour manned operation for coordination with control centers of scheduling changes, reserve implementation, curtailment orders, and interruption plan implementation.

Applicant certifies that it has provided or arranged to provide an operational coordination with control centers of scheduling changes, reserve implementation, curtailment orders, and interruption plan implementation. Such operation shall be reachable at 713-823-3107, twenty-four hours a day.

Spark Energy certifies that, pursuant to Subsection 451.330(b)(2), it will designate, and agree thereafter to maintain, a telephone number, fax number, and

address where its staff can be directly reached at all times. Spark Energy will be reachable at the following Twenty-Four hours a day:

Telephone: 713-823-3107

Fax: 866-413-2904

Address: 3010 Briarpark Drive, Suite 550, Houston, Texas 77042

***Managerial Qualifications [451.130 and 451.140, 451.240 and 451.250, 451.340 and 451.350, or 451.430]***

22. Applicant meets the managerial qualifications set forth in Part 451.130, 451.240, or 451.340 (not applicable to Subpart E Applicants), as demonstrated in **Attachment J**. **Attachment K** includes an exhibit containing a corporate organizational chart and identifying the persons or agents who are being used to meet the requirements of Part 451.130(b), or 451.340(b). **Attachment L** includes an entity organizational chart.
23. Applicant is not relying on one or more agents or contractors to meet the technical and managerial requirements of Part 451.120 and 451.130, 451.230, and 451.240, 451.330, and 451.340, or 451.420.

***Financial Qualifications for Single Billing Service [451.510]***

24. Applicant intends to provide single billing services. [If Applicant intends to provide single billing services) A demonstration that Applicant meets one of the four creditworthiness standards as required in Part 451.510.]

Spark Energy intends to offer single billing services in the service territories for which it is applying for certification with this application. Spark Energy demonstrates an ability to establish and maintain sufficient financial resources to satisfy the obligation to remit to utilities monies that the ARES collects under single billing tariffs adopted pursuant to Section 16-118(b) of the Act [220 ILCS 5/16-118(b)] by satisfying the requirements of Part 451.510(a) as follows:

Spark Energy certifies that it will undertake to post and maintain a bond or bonds issued by a qualifying surety or financial institution chartered by the United States or the State of Illinois in favor of any Illinois utility in whose service territory the applicant will serve retail customers. The bond or bonds shall be in an amount equal to 15% of a good faith estimate of the total amount that the applicant expects to be obliged to pay to the utility under single billing tariffs adopted pursuant to Section 16-118(b) of the Act during the next twelve months. The applicant has provided a copy of the bonding agreement and the bond to the Commission with this application for single billing service. The bond is and shall be conditioned on the full and timely

payment of all amounts due to the utility in accordance with the terms specified in the single billing tariffs and shall be valid for a period of not less than one year.

Spark Energy, LP, projects that its good faith estimate of the total amount that the applicant expects to be obliged to pay to the utility under single billing tariffs adopted pursuant to Section 16-118(b) is as follows:

Using the formula of  $5\text{MW} \times 1080 \times \$60.63 = \$327,402$ , and applying the gross good faith estimate to the territories Spark Energy seeks to provide single billing service in, Spark provides as follows:

- Commonwealth Edison – 2 MW
  - $1080 \times 2 \times \$60.63 = \$130,961$
- AmerenIP – 1 MW
  - $1080 \times 1 \times \$60.63 = \$65,481$
- AmerenCILCO – 1 MW
  - $1080 \times 1 \times \$60.63 = \$65,481$
- AmerenCIPS – 1 MW
  - $1080 \times 1 \times \$60.63 = \$65,481$

Please find attached as **Attachment M**, the bonds for the four utility areas Spark seeks to provide single billing services in that correlate to the above good faith estimations.

***Notice of Publication [451.30(a)]***

25. Section 451.30(a) requires that applicant publish notice of its application for certification in the Official State Newspaper within 10 days following its filing of the application for certification.

Spark Energy intends to comply with the requirements of Section 451.30(a) by publishing notice of its application in the Edwardsville Intelligencer and providing proof of publication of said notice to the Commission under separate cover. Spark has already published notification of its original application and sent Commission such notice. Spark intends to publish notice in the Edwardsville Intelligencer of its Amended Application and provide such proof of publication of said notice to the Commission under separate cover.

**WHEREFORE**, Applicant requests that the Commission grant its amended application for service authority to provide single billing services to all customers within the Commonwealth Edison, AmerenIP, AmerenCIPS and Ameren CILCO utility service territories.

Respectfully submitted,

Spark Energy, L.P.

By: 

Casey P Adkins

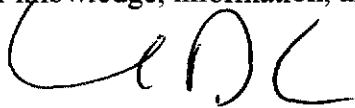
Assistant General Counsel

Spark Energy, L.P.

# VERIFICATION

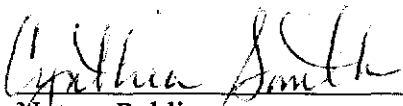
STATE OF TEXAS       )  
COUNTY OF HARRIS    )

Michael D. Osowski, being first duly sworn, deposes and says that he is the Senior Vice President of Spark Energy, L.P.; that he has read the foregoing Application of Spark energy, and all of the attachments accompanying and referred to within the Application; and that the statements contained in the Application and the attachments are true, correct and complete to the bet of her knowledge, information, and belief.



Michael D. Osowski  
Senior Vice President  
Spark Energy, L.P.

Subscribed and sworn to before me  
This 24<sup>th</sup> day of December, 2007.

  
Notary Public